

**NATCHITOCES PARISH SHERIFF
NATCHITOCES PARISH DETENTION CENTER
NATCHITOCES, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11-15-06

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES PARISH DETENTION CENTER
NATCHITOCHES, LOUISIANA
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JUNE 30, 2006

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NATCHITOCHES PARISH SHERIFF
NATCHITOCHES PARISH DETENTION CENTER
NATCHITOCHES, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006


Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Victor Jones, Sheriff of Natchitoches Parish, who duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the Natchitoches Parish Detention Center at June 30, 2006 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.


Sheriff

Sworn to and subscribed before me, this 22nd day of September, 2006.


NOTARY PUBLIC
15774

HINES, JACKSON & HINES, L.L.C.

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INDEPENDENT AUDITORS' REPORT

Honorable Victor Jones
Natchitoches Parish Sheriff
Natchitoches Parish Detention Center
Natchitoches, Louisiana 71457

We have audited the accompanying basic financial statements of the Natchitoches Parish Detention Center, Natchitoches, Louisiana, a component unit of the Natchitoches Parish Sheriff, as of and for the year ended June 30, 2006, as listed in the table of contents. These basic financial statements are the responsibility of the Natchitoches Parish Detention Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Natchitoches Parish Detention Center as of June 30, 2006, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated September 22, 2006, on our consideration of the Natchitoches Parish Detention Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis information on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Natchitoches Parish Detention Center taken as a whole. The accompanying supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The financial information for the year ended June 30, 2005, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated November 8, 2005, on the basic financial statements of the Natchitoches Parish Detention Center.

Hines, Jackson & Hines
Natchitoches, Louisiana
September 22, 2006

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES PARISH DETENTION CENTER
NATCHITOCHES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006

The Management's Discussion and Analysis of the Natchitoches Parish Detention Center's financial performance presents a narrative overview and analysis of the Natchitoches Parish Detention Center's financial activities for the year ended June 30, 2006. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the Natchitoches Parish Detention Center's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

- 1) The Natchitoches Parish Detention Center had cash of \$1,496,234 at June 30, 2006 which represents an increase of \$416,780 from prior year end.
- 2) The Natchitoches Parish Detention Center had accounts receivable of \$377,137 at June 30, 2006 which represents an increase of \$9,504 from prior year end.
- 3) The Natchitoches Parish Detention Center had accounts payable and accruals of \$365,963 at June 30, 2006 which represents an increase of \$27,815 from prior year end.
- 4) The Natchitoches Parish Detention Center had total operating revenues of \$5,240,540 for the year ended June 30, 2006 which represents an increase of \$313,941 from prior year.
- 5) The Natchitoches Parish Detention Center had charges for services revenues of \$4,434,394 for the year ended June 30, 2006 which represents an increase of \$370,106 from prior year.
- 6) The Natchitoches Parish Detention Center had total operating expenses of \$4,736,675 for the year ended June 30, 2006 which represents a decrease of \$79,645 from prior year.
- 7) The Natchitoches Parish Detention Center had salaries of \$1,631,451 for the year ended June 30, 2006 which represents an increase of \$37,968 from prior year.
- 8) The Natchitoches Parish Detention Center had interest expense of \$119,694 for the year ended June 30, 2006 which represents a decrease of \$43,952 from prior year.
- 9) The Natchitoches Parish Detention Center had a change in net assets of \$488,155 for the year ended June 30, 2006 which represents an increase of \$794,652 from prior year.
- 10) The Natchitoches Parish Detention Center had capital asset purchases of \$112,165 for the year ended June 30, 2006 which represents an increase of \$21,296 from prior year.
- 11) The Natchitoches Parish Detention Center had long-term debt of \$2,280,00 at June 30, 2006 which represents a decrease of \$205,000 from prior year.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES PARISH DETENTION CENTER
NATCHITOCHES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2006

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Natchitoches Parish Detention Center as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments.

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information
(Other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

This annual report consist of a series of financial statements. The Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Fund Net Assets and Cash Flows (on pages 8, 9 and 10) provide information about the activities of the Natchitoches Parish Detention Center as a whole and present a longer-term view of the Detention Center's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Fund Net Assets report the Detention Center's net assets and changes in them. You can think of the Detention Center's net assets, the difference between assets and liabilities, as one way to measure the Detention Center's financial health, or financial position. Over time, increases or decreases in the Detention Center's net assets are one indicator of whether its financial health is improving or deteriorating.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES PARISH DETENTION CENTER
NATCHITOCHES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2006

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of Year End

	<u>2006</u>	<u>2005</u>
Current and other assets	\$ 1,901,531	\$ 1,478,593
Capital assets, net	<u>2,213,376</u>	<u>2,325,344</u>
Total Assets	<u>\$ 4,114,907</u>	<u>\$ 3,803,937</u>
Accounts payable, accruals and other liabilities	\$ 365,963	\$ 338,148
Long-term debt	<u>2,280,000</u>	<u>2,485,000</u>
Total Liabilities	<u>2,645,963</u>	<u>2,823,148</u>
Net assets		
Investment in capital assets, net of related debt	(66,624)	(159,656)
Unrestricted	<u>1,535,568</u>	<u>1,140,445</u>
Total Net Assets	<u>1,468,944</u>	<u>980,789</u>
Total Liabilities and Net Assets	<u>\$ 4,114,907</u>	<u>\$ 3,803,937</u>

Net assets of the Natchitoches Parish Detention Center's increased by \$488,155 or 49.77% from the previous fiscal year. The increase is the result of operating and nonoperating revenues exceeding operating and nonoperating expenses during the fiscal year ended 2006 (See table below).

Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended

	<u>2006</u>	<u>2005</u>
Operating Revenues	\$ 5,240,540	\$ 4,926,599
Operating Expenses	<u>4,736,675</u>	<u>4,816,320</u>
Operating Income	503,865	110,279
Nonoperating Revenues/(Expenses)	<u>(15,710)</u>	<u>(416,776)</u>
Change in net assets	<u>\$ 488,155</u>	<u>\$ (306,497)</u>

The Natchitoches Parish Detention Center's total operating revenues increased by \$313,941 or 6.37% from the previous year. The total operating expenses decreased by \$79,645 or 1.65% from the previous year.

NATCHITOCHEs PARISH SHERIFF
NATCHITOCHEs PARISH DETENTION CENTER
NATCHITOCHEs, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2006

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2006, the Natchitoches Parish Detention Center had \$2,213,376, net of depreciation, invested in a broad range of capital assets (See table below). This amount represents a net decrease (including additions and deductions) of \$111,968 or 4.82% from the previous year.

Capital Assets at Year End
(Net of Depreciation)

	<u>2006</u>	<u>2005</u>
Land	\$ 146,089	\$ 146,089
Buildings and building improvements	1,945,178	2,113,306
Automobiles	16,059	5,933
Equipment, furniture and fixtures	<u>106,050</u>	<u>60,016</u>
Total	<u>\$ 2,213,376</u>	<u>\$ 2,325,344</u>

This year's major additions included:

Buildings and building improvements	\$ 23,663
Automobiles	\$ 15,190
Equipment, furniture and fixtures	\$ 73,312

This years's major retirements included:

Automobiles	\$ 29,964
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Debt

The Natchitoches Parish Detention Center had \$2,280,000 in long-term debt outstanding at year end compared to \$2,485,000 at the previous year end, a decrease of \$205,000 or 8.25% as shown in the table below.

Outstanding Debt at Year End

	<u>2006</u>	<u>2005</u>
Revenue bonds-2004	\$ 2,280,000	\$ 2,485,000
Totals	<u>\$ 2,280,000</u>	<u>\$ 2,485,000</u>

New debt during the year included:

None.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES PARISH DETENTION CENTER
NATCHITOCHES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2006

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Management of the Natchitoches Parish Detention Center consider the following factors and indicators when setting next year's budget and rates. These factors and indicators include:

- 1) Number of inmates
- 2) Intergovernmental revenues (local, state and federal grants)
- 3) Long-term debt
- 4) Cost of Operations

The Natchitoches Parish Detention Center does not expect any significant changes in next year's results as compared to the current year.

CONTACTING NATCHITOCHES PARISH DETENTION CENTER'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Natchitoches Parish Detention Center's finances and to show the Natchitoches Parish Detention Center's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Victor Jones, Sheriff, 299 Edwina Drive, Natchitoches, Louisiana 71457.

EXHIBIT A

NATCHITOCHEs PARISH SHERIFF
NATCHITOCHEs PARISH DETENTION CENTER
NATCHITOCHEs, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
ASSETS		
Current Assets		
Cash	\$ 1,496,234	\$ 1,079,454
Accounts receivable	<u>377,137</u>	<u>367,633</u>
Total Current Assets	1,873,371	1,447,087
Noncurrent Assets		
Capital assets, net	2,213,376	2,325,344
Deferred debt expense, net	<u>28,160</u>	<u>31,506</u>
Total Assets	<u>\$ 4,114,907</u>	<u>\$ 3,803,937</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Current portion of long-term debt	\$ 210,000	\$ 205,000
Accounts payable and accruals	<u>365,963</u>	<u>338,148</u>
Total Current Liabilities	575,963	543,148
Noncurrent Liabilities		
Long-term debt, net of current portion	<u>2,070,000</u>	<u>2,280,000</u>
Total Liabilities	2,645,963	2,823,148
NET ASSETS		
Investment in capital assets, net of related debt	(66,624)	(159,656)
Unrestricted	<u>1,535,568</u>	<u>1,140,445</u>
Total Net Assets	<u>1,468,944</u>	<u>980,789</u>
Total Liabilities and Net Assets	<u>\$ 4,114,907</u>	<u>\$ 3,803,937</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE PARISH DETENTION CENTER
NATCHITOCHE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
OPERATING REVENUES		
Charges for services	\$ 4,434,394	\$ 4,064,288
Commissary	438,947	428,480
Work release revenues	286,667	383,500
Other	<u>80,532</u>	<u>50,331</u>
Total Operating Revenues	5,240,540	4,926,599
OPERATING EXPENSES		
Amortization expense	3,346	126,834
Depreciation	224,133	213,581
Employee benefits	497,174	516,011
Food	580,737	500,461
Fuel	49,358	17,241
Insurance	188,309	233,234
Medical expense	299,800	310,063
Miscellaneous	127	707
Payroll taxes	31,804	32,591
Prisoner security	28,387	13,555
Professional services	32,012	33,388
Repairs and maintenance	40,963	42,243
Retirement	158,669	138,562
Salaries	1,631,451	1,593,483
Supplies	663,512	789,201
Telephone	28,971	25,595
Training	8,135	473
Uniforms	21,466	21,109
Utilities	<u>248,321</u>	<u>207,988</u>
Total Operating Expenses	4,736,675	4,816,320
Operating Income	503,865	110,279
Nonoperating Revenues/(Expenses)		
Interest income	27,228	12,519
Interest expense	(119,694)	(163,646)
Intergovernmental revenues	118,695	141,784
Transfers out	<u>(41,939)</u>	<u>(407,433)</u>
Total Nonoperating Revenues/(Expenses)	(15,710)	(416,776)
Change in Net Assets	488,155	(306,497)
Net Assets, Beginning of year	<u>980,789</u>	<u>1,287,286</u>
Net Assets, End of year	<u>\$ 1,468,944</u>	<u>\$ 980,789</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES PARISH DETENTION CENTER
NATCHITOCHES, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 5,231,607	\$ 4,893,735
Cash payments to suppliers for goods and services	(2,861,707)	(2,925,952)
Cash payments to employees for services	(1,631,451)	(1,596,024)
Other operating revenues/(expenses)	<u>0</u>	<u>0</u>
Net Cash From Operating Activities	738,449	371,759
Cash Flows From Non-Capital Financing Activities		
Intergovernmental revenues	118,124	141,482
Other nonoperating activity, inmate accounts	<u>12,606</u>	<u>69,103</u>
Net Cash From Non-Capital Financing Activities	130,730	210,585
Cash Flows From Capital and Related Financing Activities		
Payments to Natchitoches Parish Sheriff, general fund	(41,939)	(407,433)
Proceeds from issuing revenue bonds	0	2,600,000
Principal payments on revenue bonds	(205,000)	(2,775,000)
Principal payments on certificate of indebtedness	0	(74,000)
Acquisition/construction of capital assets	(112,165)	(90,869)
Interest paid	<u>(120,523)</u>	<u>(170,787)</u>
Net Cash From Capital and Related Financing Activities	(479,627)	(918,089)
Cash Flows From Investing Activities		
Interest income	27,228	12,953
Sale of investments	<u>0</u>	<u>947,011</u>
Cash Flows From Investing Activities	<u>27,228</u>	<u>959,964</u>
Net Increase in Cash	416,780	624,219
Cash, Beginning of year	<u>1,079,454</u>	<u>455,235</u>
Cash, End of year	<u>\$ 1,496,234</u>	<u>\$ 1,079,454</u>
Reconciliation of Operating Income to Net Cash From Operating Activities		
Operating income	\$ 503,865	\$ 110,279
Adjustments to reconcile operating income to net cash from operating activities		
Amortization expense	3,346	126,834
Depreciation expense	224,133	213,581
(Increase)/decrease in operating assets		
Accounts receivable	(8,933)	(32,864)
Deferred debt expense	0	(33,458)
Increase/(decrease) in operating liabilities		
Accounts payable and accruals	<u>16,038</u>	<u>(12,613)</u>
Net Cash Flows From Operating Activities	<u>\$ 738,449</u>	<u>\$ 371,759</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES PARISH DETENTION CENTER
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four year term as the chief executive officer of the law enforcement district, which includes administering the parish jail system. Construction of the facility was completed and the first prisoners were received on June 18, 1996.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles. The accompanying financial statements of the Natchitoches Parish Detention Center present information only as to the transactions of the programs of the Natchitoches Parish Detention Center as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Natchitoches Parish Detention Center are maintained in accordance with applicable statutory provisions:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Natchitoches Parish Detention Center defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES PARISH DETENTION CENTER
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

D. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2006, \$0 were considered to be uncollectible.

E. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Detention Center are charged as an expense against operations in the Statement of Revenues, Expenses, and Changes in Fund Net Assets. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for movable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

F. Deferred Debt Expense

Bond issue costs and bond discounts are capitalized and amortized over the terms of the respective bonds using a method which approximates the effective interest method. Total bond issue costs and bond discounts (deferred debt expense) paid by the Detention Center was \$33,458. The amortization expense related to deferred debt expense was \$3,346 for the year ended June 30, 2006.

G. Compensated Absences

Employees of the Natchitoches Parish Detention Center that have been employed one year or more earn two weeks of vacation leave per year. Vacation leave is prorated for employees having less than a year of service. Vacation leave does not carryover or accumulate from one fiscal year to the next, and there are no vesting privileges. Therefore no liability for compensated absences has been recorded in the accompanying financial statements.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES PARISH DETENTION CENTER
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of deposit. Under state law the Natchitoches Parish Detention Center may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The deposits at June 30, 2006 were secured as follows:

	Cash	Certificates of Deposit	Total
Deposits in bank accounts per balance sheet	\$ 1,496,134	\$ 0	\$ 1,496,134
Bank Balances (Category 3 Only, If Any)			
a. Uninsured and uncollateralized	\$ 0	\$ 0	\$ 0
b. Uninsured and uncollateralized with securities held by the pledging institution	0	0	0
c. Uninsured and uncollateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	0	0	0
Total Category 3 Bank Balances	\$ 0	\$ 0	\$ 0
Total Bank Balances (All Categories Including Category 3 Reported Above)	\$ 1,581,425	\$ 0	\$ 1,581,425

The following is a breakdown by banking institution and amount of the balances shown above:

Banking Institution	Amount
Bank of Montgomery	\$ 289,311
City Bank and Trust Company	1,124,076
Peoples State Bank	168,038
Total	\$ 1,581,425

B. Investments

At June 30, 2006, the Natchitoches Parish Detention Center had investments of \$0.

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE PARISH DETENTION CENTER
NATCHITOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at June 30, 2006:

<u>Class of Receivable</u>	
Charges for services	\$ 364,265
Intergovernmental revenues	12,872
Other	<u>0</u>
Total	<u>\$ 377,137</u>

NOTE 4 CAPITAL ASSETS

A summary of the Natchitoches Parish Detention Center's capital assets at June 30, 2006 follows:

	<u>Balance</u> <u>June 30, 2005</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2006</u>
Capital Assets, not being depreciated				
Land	\$ 146,089	\$ 0	\$ 0	\$ 146,089
Total Capital Assets, not being depreciated	146,089	0	0	146,089
Capital Assets, being depreciated				
Buildings and building improvements	3,574,198	23,663	0	3,597,861
Less accumulated depreciation	<u>(1,460,892)</u>	<u>(191,791)</u>	<u>0</u>	<u>(1,652,683)</u>
Total Buildings and Building Improvements	2,113,306	(168,128)	0	1,945,178
Automobiles	111,341	15,190	(29,964)	96,567
Less accumulated depreciation	<u>(105,408)</u>	<u>(5,064)</u>	<u>29,964</u>	<u>(80,508)</u>
Total Automobiles	5,933	10,126	0	16,059
Equipment, furniture and fixtures	156,973	73,312	0	230,285
Less accumulated depreciation	<u>(96,957)</u>	<u>(27,278)</u>	<u>0</u>	<u>(124,235)</u>
Total Equipment, Furniture and Fixtures	60,016	46,034	0	106,050
Total Capital Assets, being depreciated	2,179,255	(111,968)	0	2,067,287
Total Capital Assets, net	<u>\$ 2,325,344</u>	<u>\$ (111,968)</u>	<u>\$ 0</u>	<u>\$ 2,213,376</u>

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at June 30, 2006:

<u>Class of Payable</u>	
Vendor	\$ 188,356
Interest	9,215
Other	<u>168,392</u>
Total	<u>\$ 365,963</u>

NATCHITOCHEs PARISH SHERIFF
NATCHITOCHEs PARISH DETENTION CENTER
NATCHITOCHEs, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006

NOTE 6 LONG TERM-DEBT

The following is a summary of the long-term debt of the Natchitoches Parish Detention Center for the year ended June 30, 2006:

	<u>Balance</u> <u>June 30, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>	<u>Current</u> <u>Amounts</u>
Revenue bonds - 2004	\$ 2,485,000	\$ 0	\$ 205,000	\$ 2,280,000	\$ 210,000
Total	<u>\$ 2,485,000</u>	<u>\$ 0</u>	<u>\$ 205,000</u>	<u>\$ 2,280,000</u>	<u>\$ 210,000</u>

The terms of the individual debt issues of the Detention Center are as follows:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Outstanding</u>
Revenue bonds - 2004	4.85%	06/01/15	\$ 2,600,000	\$ 2,280,000
Total			<u>\$ 2,600,000</u>	<u>\$ 2,280,000</u>

The annual requirements to amortize all debt outstanding as of June 30, 2006 are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u>
2007	\$ 210,000	\$ 110,580	\$ 320,580
2008	225,000	100,395	325,395
2009	230,000	89,482	319,482
2010	240,000	78,328	318,328
2011	255,000	66,687	321,687
2012-2015	<u>1,120,000</u>	<u>138,953</u>	<u>1,258,953</u>
Total	<u>\$ 2,280,000</u>	<u>\$ 584,425</u>	<u>\$ 2,864,425</u>

NOTE 7 RETIREMENT SYSTEM

Substantially all employees of the Natchitoches Parish Detention Center's office are members of the Sheriff's Pension and Relief Fund ("System"), a multiple-employer, cost-sharing public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of sheriffs and their staffs, which is administered and controlled by a separate board of trustees. Contributions of participating sheriffs, together with shared local and state revenues, are pooled within the System to fund accrued benefits, with employer/employee contribution rates approved by the Louisiana Legislature.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES PARISH DETENTION CENTER
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006

NOTE 7 RETIREMENT SYSTEM (CONTINUED)

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month and who are between the ages of 18 and 50 at the time of original employment are required to participate in the system. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their average final salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 percent if total service is at least 12 but less than 15 years, 2.75 percent if total service is at least 15 but less than 20 years, and 3 percent if total service is at least 20 years. In any case, the retirement benefit cannot exceed 100 percent of the final average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service, and who do not withdraw their employee contributions, may retire at or after age 55 and receive the benefits accrued to their date of termination. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between the ages of 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The system also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Sheriffs Pension & Relief Fund, Monroe, Louisiana, 71210-3163 or by calling (318) 362-3188.

Contributions to the system include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and a direct appropriation from the state of Louisiana. State statute required covered employees to contribute 10.0% of their salary to the system and required an employer contribution equal to 10.75% of each covered employee's salary. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Natchitoches Parish Detention Center's contributions to the System for the years ending June 30, 2006, 2005 and 2004 were \$158,669, \$138,562 and \$123,530, respectively, equal to the required contribution for each year.

NOTE 8 LEASES

The Natchitoches Parish Detention Center was not obligated under any capital or operating leases at June 30, 2006.

NOTE 9 LITIGATION

The Natchitoches Parish Detention Center is a defendant in various litigation as of the close of business on June 30, 2006. Although the outcomes of these lawsuits are not presently determinable, in the opinion of the Detention Center's legal counsel, resolution of these matters would not create a liability in excess of insurance coverage, and therefore would not have a material adverse effect on the financial condition of the Natchitoches Parish Detention Center.

NOTE 10 RISK MANAGEMENT

The Natchitoches Parish Detention Center is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Natchitoches Parish Detention Center maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Detention Center.

OTHER SUPPLEMENTARY INFORMATION

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE PARISH DETENTION CENTER
NATCHITOCHE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006

SECTION #1

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

- | | | |
|----|---|-------------|
| 1. | Type of auditors' report issued. | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a) Material weaknesses identified? | None |
| | b) Reportable conditions identified not considered to be material weaknesses? | None |
| | c) Noncompliance material to the financial statements noted? | None |

SECTION #2

FINANCIAL STATEMENT FINDINGS

None reported.

HINES, JACKSON & HINES, L.L.C.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Victor Jones
Natchitoches Parish Sheriff
Natchitoches Parish Detention Center
Natchitoches, Louisiana 71457

We have audited the basic financial statements of the Natchitoches Parish Detention Center, Natchitoches, Louisiana, a component unit of the Natchitoches Parish Sheriff, as of and for the year ended June 30, 2006, and have issued our report thereon dated September 22, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Natchitoches Parish Detention Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Natchitoches Parish Detention Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the Natchitoches Parish Detention Center and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hines, Jackson & Hines

Natchitoches, Louisiana
September 22, 2006

SCHEDULE 2

NATCHITOCHEs PARISH SHERIFF
NATCHITOCHEs PARISH DETENTION CENTER
NATCHITOCHEs, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2006

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.

SCHEDULE 3

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES PARISH DETENTION CENTER
NATCHITOCHES, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2006

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
Nothing came to our attention that would require disclosure under <u>Government Auditing Standards</u> .				